

BILL ANALYSIS

S.B. 993
By: Lyon

Senate Natural Resources Committee
6.19.89
Enrolled

Relating to the creation, administration, and powers, including the power of eminent domain subject to limitations, and to the duties, operations, and financing of Collin County Regional Water Authority, and to the creation therein of subdistricts with the power to levy and collect ad valorem taxes within the subdistricts; relating to the power of the county and of municipalities, other political subdivisions, and nonprofit water supply corporations to enter into and give security for contracts with the authority.

BACKGROUND

State policy in Texas emphasizes regional planning and development in unincorporated areas within counties. In order to respond to this policy, without the proliferation of independent municipal utility districts (MUDS) within unincorporated territory that has occurred in other counties, Collin County is interested in creating a conservation district to provide for the water and wastewater needs of its unincorporated territory on an orderly basis. This bill would create a countywide water authority, without taxing power, but with the power to issue revenue bonds for works and projects in or serving the unincorporated territory of the county. The bill is intended to guarantee a regional overview, and to eliminate the problems experienced in other areas with unfettered control and high taxes levied by proliferating MUDS.

PURPOSE

As proposed, S.B. 993 creates new law to establish a mechanism that can provide on an orderly basis for the water and wastewater needs of the unincorporated territory of Collin County, without impairing the incorporated municipalities of the county, or the other governmental agencies therein, in the assumption of their proper and historic roles in the performance of such services as municipal boundaries expand or as sound water and wastewater practices dictate.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is granted to the Collin County Regional Water Authority under Section 11 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. States the purpose of the bill.

SECTION 2. Defines "authority," "board," "board of supervisors," "commissioners court," "county," "municipality," "state," "subdistrict," and "water supply or sewer service corporation."

SECTION 3. Provides the findings of the legislature.

SECTION 4. Creates the Collin County Regional Water Authority (authority). Provides that the authority is a conservation and reclamation district under Article XVI, Section 59, Texas Constitution, and is a political subdivision of the state. Provides that the boundaries of the authority are coterminus with the boundaries of Collin County (county). Provides that a confirmation election is not required.

SECTION 5. Requires the authority to be governed by a board of directors (board). Provides for the board's authority under this

Act, its members' terms of office, removal of members and the filling of vacancies, and the reimbursement of its members, all of whom are prohibited from receiving paid compensation.

SECTION 6. Provides for board procedures and officers.

SECTION 7. Authorizes the authority, subject to the specific provisions of this Act, to exercise the powers of conservation districts under Article XVI, Section 59, Texas Constitution, and of water control and improvement districts and municipal utility districts under the Texas Water Code, together with the powers, and functions expressed and implied in this Act. Prohibits the authority from levying or collecting ad valorem taxes. Provides that this Act shall prevail in the event of conflict with any general law applicable to water control and improvement districts or to municipal utility districts. Provides that the provisions of Chapter 13, Water Code, are applicable to the authority and to any subdistrict to the extent that these provisions are applicable to conservation and reclamation districts created under Article XVI, Section 59, Texas Constitution.

SECTION 8. Grants specific water-related powers to the authority, including the power of condemnation, except that the authority is prohibited from acquiring public property or private water systems by condemnation. Prohibits any of the authority's works, projects, or facilities from being placed in or extended into any land without the express consent of the governing body of the city.

SECTION 9. Authorizes the authority to issue revenue bonds, payable from revenues, including revenues received pursuant to contracts with subdistricts. Requires bonds to only be approved as to legality by the Attorney General of Texas. Allows the authority to enter into any contracts, payable from certain funds, as necessary.

SECTION 10. Authorizes the authority, and any municipalities, non-profit water supply corporations, and subdistricts to enter into contracts relating to the authority's programs and projects. Allows the county and municipalities to enter into interlocal agreements with the authority as provided. Sets forth allowable methods of payment of contracts by the governing bodies.

SECTION 11. Grants the authority limited regulatory power over water and wastewater systems in unincorporated territory. Grants standing to the authority to oppose or support the creation of municipal utility districts with the understanding that subdistricts are the preferred alternative if the subdistrict can provide an equal or better solution to local needs in unincorporated territory. Provides that this Act does not exempt the authority from municipal ordinances or rules.

SECTION 12. Authorizes the authority to dispose of its assets, and sets forth the disposition of funds.

SECTION 13. Authorizes the creation of subdistricts, with or without taxing power, by the Commissioners Court of Collin County (commissioners court), following certain required procedures, including public hearing. Prohibits the creation of any subdistrict which includes part of an incorporated city or land within the extraterritorial jurisdiction or within two miles of a city, whichever is greater, nor which includes any portion of an area certificated to a water supply or sewer service corporation, without the written consent of the affected municipality or the corporation's governing body. Provides that subdistricts having taxing power must be confirmed at an election within the subdistrict and that taxes cannot be levied until approved at an election. Sets forth provisions regarding confirmation elections and the limited powers of a subdistrict. Requires subdistricts created under this section to be governed by a board of three supervisors appointed by commissioners court. Authorizes the subdistricts to create budgets, rates, regulations, fees, and contracts approved by the commissioners court, but prohibits them from issuing bonds. Sets forth provisions regarding ad valorem tax rates and compensation of the board of supervisors.

SECTION 14. Provides for meetings for the board of supervisors of a subdistrict.

SECTION 15. Provides for a regular meeting place and office for the board.

SECTION 16. Requires the county tax assessor-collector, under a contract with the subdistrict and the commissioners court, to maintain and collect any taxes and tax rolls for a subdistrict. Provides purposes for which taxes must be used, and required deposit and audit procedures. Requires the subdistrict to reimburse the county tax assessor-collector for costs.

SECTION 17. Authorizes the conversion of water supply corporations to subdistricts and provides required procedures. Provides that nothing in this section shall be interpreted or applied in any manner so as to deny or limit the rights of a water supply or sewer service corporation to convert to a special utility district as provided by Chapter 65, Water Code.

SECTION 18. Emergency clause.
Effective date: upon passage.